

A presentation for the
Minority Business
Development Agency
(MBDA)

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Our Mission



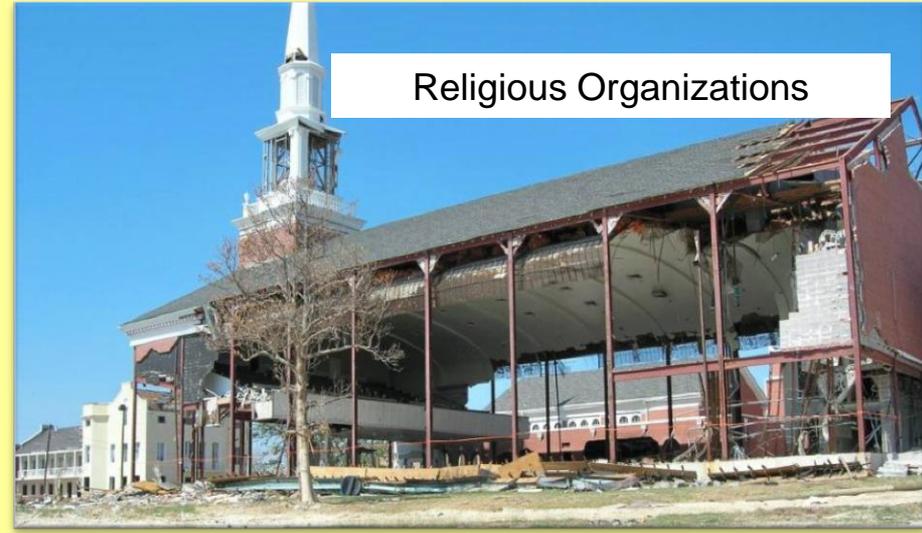
The Office of Disaster Assistance's mission is to provide low-interest disaster loans to businesses of all sizes, private non-profit organizations, homeowners, and renters to repair or replace real estate, personal property, machinery & equipment, inventory and business assets that have been damaged or destroyed in a declared disaster.

- If the President declares a major disaster declaration for Individual Assistance, SBA's disaster loan program is automatically activated.
- Homeowners, renters and businesses of all sizes including private, non-profit organizations are eligible to apply for their uncompensated physical losses.
- Small businesses, small cooperatives, small aquaculture businesses and most private non-profits of any size, can apply for working capital loans to cover their economic injury losses.



Presidential Declaration for Public Assistance (PA)

If the President declares a major disaster declaration for Public Assistance, SBA's disaster loan program is activated only for eligible private non-profit organizations.



Administrative (Agency) Declarations

When the Preliminary Damage Assessment (PDA) indicates damages are insufficient for a Presidential declaration, the Governor can request an Administrative (Agency) declaration through the SBA Administrator.

To obtain an 'Agency' Declaration:
SBA documents that there are at least 25 homes and/or businesses in a county with uninsured losses of 40% or more of their estimated fair market value.



- Presidential (Individual / Public Assistance)
- Administrative (Agency)
- Governor's Certification
- Secretary of Agriculture
- Military Reservist



SBA Disaster Loan Limits

Types of Loans	Borrowers	Purpose	Max Amount
Home Loans	Homeowners	Repair or replace real property	\$200,000
Home Loans	Homeowners & Renters	Repair or replace personal property	\$40,000
Business Loans "Physical"	Businesses and non-profits of all sizes	Repair or replace real estate, equipment, furniture, etc.	\$2 million *
Economic Injury Loans	Small businesses & most private non-profit of all sizes	Economic injury disaster loans or working capital loans	\$2 million *
Mitigation	Homeowners, businesses and non-profits of all sizes	Mitigate / prevent future loss to real property	20% of verified physical damage. Homeowners limited to \$200,000.

*The maximum business loan is \$2 million, unless the business qualifies as a Major Source of Employment.

Requirements for Loan Approvals

- **Eligibility**

- Damaged property must be in a declared county.



- **Credit History**

- Applicants must have a credit history acceptable to SBA.



- **Repayment**

- Applicants must show the ability to repay the SBA loan.



Presidential Declaration:

- Physical loans over \$25,000 require collateral
- Economic injury loans over \$25,000 require collateral

Agency Declaration:

- Physical loans over \$14,000 require collateral
- Economic injury loans over \$25,000 require collateral

SBA will not decline a loan for lack of collateral, but requires collateral that is available.

Terms can be up to 30 years

Ways to Apply

In Presidential declarations, disaster survivors should first register with FEMA at **1-800-621-3362**.



SBA Customer Service Representatives are available for one-on-one assistance at all Disaster Recovery Centers or by phone at: **1-800-659-2955**.

Applicants may fill out a loan application or apply electronically at: <https://disasterloan.sba.gov/ela>

Paper applications are available by mail, at a Center, or can be downloaded from the SBA website at www.sba.gov

Note: In SBA only declarations, applicants do not call FEMA, but register directly with SBA.

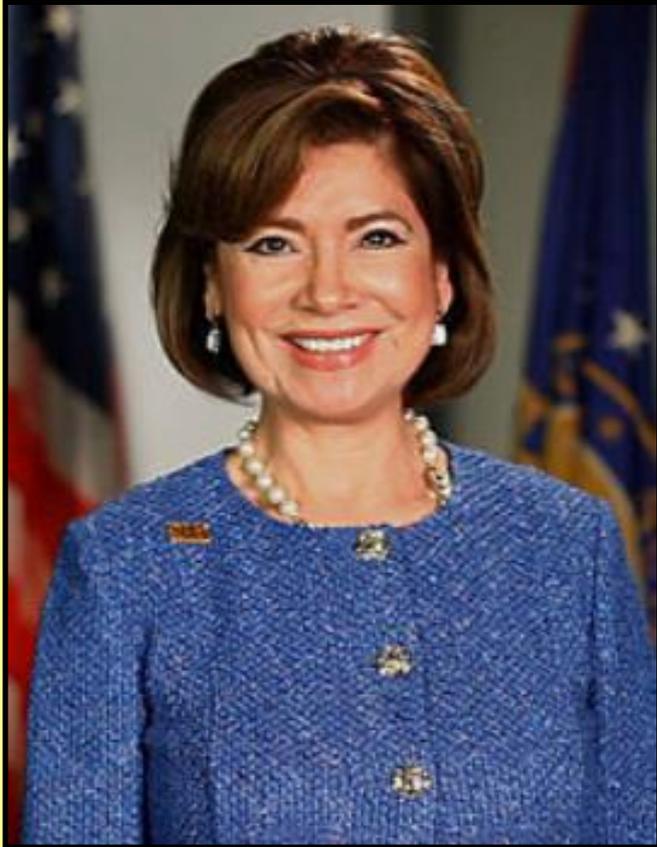
Basics of Disaster Preparedness



WHY PREPARE?

- Blizzards
- Earthquakes
- Fire
- Floods
- Hail storms
- Hurricanes
- Power outages
- Pandemics
- Severe Storms
- Tornadoes





Maria Contreras-Sweet
Administrator
U.S. Small Business
Administration

"A business continuity plan is an essential factor of a small company's long-term success and will contribute to the community's economic recovery in the aftermath of a disaster."



Protect Yourself and Your Assets



- Generally, it takes several years to build a successful business and only hours or minutes for a disaster to destroy it.
- Businesses that are unable to access their critical data for an extended period may have more difficulty recovering.
- Disasters can ruin businesses and create financial hardship on families.
- Disaster planning is vital to a successful recovery.

Impact of a Disaster on Businesses



David Paulison, former executive director of the Federal Emergency Management Agency (FEMA) estimates that **40% of businesses do not reopen after a disaster**, and of those that do reopen, **25% fail within one year.**

Continuity of Operations Plan (COOP)



- Create a plan to conduct business if the facility is not accessible and set up electronic back-up systems for vital business files.
- Identify records and documents that must be readily accessible to perform essential functions and decide where these can be stored safely and retrieved quickly.
- Determine what your operation needs to protect when a disaster occurs. Take steps to protect your assets even if you do not own the business building.

Insurance Coverage

➤ Consult with a business insurance expert to advise you on the right coverage for your situation.



➤ When buying insurance ask yourself, “How much can I afford to lose?” It’s a good idea to know the value of your property.



➤ Review your insurance coverage annually to make sure the policy still meets your needs.



➤ Most policies do not cover flood damage. The National Flood Insurance Program provides this coverage. Visit www.floodsmart.gov for more information.

➤ Consider business interruption insurance, which compensates for lost income if your company has to shut down after a disaster.





- Inventory your personal and business assets before the disaster occurs.
- Document the purchase date, price and estimated replacement cost of furniture, computers, security equipment, machinery and other property.
- Regularly photograph or videotape your facility and its contents to accurately document your business assets.

Telecommute When Possible

- The nature of your business should determine if some or all your staff could telecommute in the event your facility remains inaccessible for an extended period.

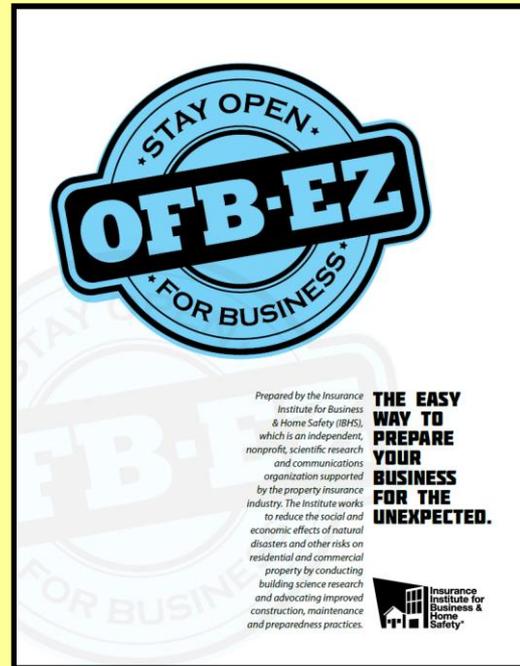
Contact Information

- Keep emergency telephone numbers available and designate a staff member to contact other employees, family members, essential customers, vendors and insurance agents.

Maintain Contacts Through Websites

- Post information about your business recovery plans on a website so that vendors, suppliers and customers can stay informed. Try to be positive.

Disaster Planning Resources



Look at the Insurance Institute for Business and Home Safety website and review the “Open for Business – EZ toolkit.” The information helps small businesses take the steps needed to keep functioning in the event of a major disaster or a smaller disruption.

Install Protective Mitigation Devices – Consider installing hurricane shutters, impact-resistant window and door systems, install seawalls, elevating structures, relocating to higher ground, etc. to minimize property damage.

Disaster Planning Resources



The screenshot shows the homepage of the Prepare My Business website. The header features the logo "PREPARE MY BUSINESS.org" where "MY" is in a green arrow shape. A navigation menu on the left includes links for Home, Planning, Education, Testing, Disaster Assistance, and Contact Us. The main content area has a dark blue banner with the text "Business as Usual. No Matter What." Below this, there are three paragraphs of text discussing the importance of disaster planning for small businesses.

**PREPARE
MY
BUSINESS.org**

Home
Planning
Education
Testing
Disaster Assistance
Contact Us

Business as Usual. No Matter What.

You've finally achieved your dream. Don't lose it to a power outage, hacker disruption, fire, earthquake or other disaster. If you're not prepared, a disaster could put you and your employees at risk, possibly shutting down your business forever.

Roughly [40 to 60 percent](#) of small businesses never reopen their doors following a disaster. But you can.

Disaster planning and preparedness can be your lifeline to staying in business. With proper [education](#), [planning](#), [testing](#) and [disaster assistance](#), you will be able to stay in business through any interruption and beyond.

Each month, Prepare My Business hosts free, educational Webinars. Attend these live courses to learn more about how to plan your business continuity and disaster recovery strategy. The more you know, the more you can help reduce your business's risk and quickly recover in a disaster.

Which Type of Business Do You Have?

(A) One that needs supplies after a disaster or in an emergency and is in risk of going out of business.

(B) One that can provide supplies after a disaster and can minimize the impact of an interruption.



Free Counseling Services Are Available

SBA's disaster assistance and district office staff, together with counselors from the Small Business Development Centers (SBDC), SCORE, Women's Business Enterprise Centers, Veterans Business Outreach Centers, Chambers and others will share information and ideas in order to help become prepared for disasters, and help with applying for assistance.

BE PREPARED...

**you never know when
a disaster will strike!**



Helpful Websites

www.sba.gov/services/DisasterAssistance provides disaster assistance resources.

www.PrepareMyBusiness.org provides business-focused disaster preparedness and planning tools.

www.Ready.gov has emergency preparedness publications available to the public at no cost.

www.Ready.gov/business assists businesses in developing a preparedness program by providing tools to create a plan that addresses the impact of many hazards.

www.ReadyRating.org is a free program from the American Red Cross that helps businesses, schools and organizations become prepared for disasters and other emergencies.

www.DisasterSafety.org (Insurance Institute for Business & Home Safety) advises home and business owners how to prepare for disasters.

For more information on SBA disaster assistance:

- Contact SBA's Customer Service Center at: 1-800-659-2955, or
- Send an email to: DisasterCustomerService@sba.gov, or
- Visit: www.sba.gov.



Any Questions?